Coal exploration

3130. SHRI R. KAMARAJ: Will the PRIME MINISTER be pleased to state:

(a) whether it is a fact that Government had asked the Coal India Ltd. to expand its capacity of coal exploration;

(b) if so, the details thereof;

(c) whether it is also a fact that the demand for coal is likely to be increased by 20 tonnes in the near future; and

(d) if so, the steps proposed to be taken in this regard?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYAN RAO): (a) and (b) Coal India Limited (CIL) is conducting coal exploration in CIL non-CIL blocks by drilling about 2 lakh metres per year through its subsidiary company i.e. Central Mine Planning & Design Institute Limited (CMPDIL). The resources of State Governments and Mineral Exploration Corporation Ltd. (a public sector undertaking) are also utilized in a limited manner for drilling. It has been proposed to increase the exploration in non-CIL blocks (captive mining blocks) for which major services of agencies other than CMPDIL will also be required. This will increase the availability of explored blocks for allocation to prospective entrepreneurs for captive mining.

(c) and (d) The demand of coal by end of 10th Plan and 11 th Plan is assessed at 473.18 Million tonnes (as assessed by Planning commission during mid-term appraisal),and 676 Million tonnes (as assessed now) respectively. As per the plan a production level of 431.50 Million tonnes and 593 Million tonnes will be achieved by the end of Xth and Xlth Plan period respectively. To bridge the gap between demand and availability of coal, besides import of coal, following steps have been taken to ensure adequate availability of coal:

(i) Coal India Limited has been asked to increase production form existing mines and expedite production from new projects.

(ii) 146 coal mine blocks have been identified for allocation for captive mining. Out of these, 86 coal blocks have been allotted/decided for allocation to different consumers and more are under process.

(iii) State and Central Government companies are being allotted coal mining blocks without restriction of captive mining.

(iv) Exploration for new coal blocks has been expedited.

(v) Procedure for project approvals has been streamlined.

(vi) Ministry of Power has been advised to import about 14 million - tonnes of Coal during 2005-06.

Decontrol of Coal Prices

3131. SHRI RAVULA CHANDRA SEKAR REDDY: Will the PRIME MINISTER be pleased to state:

(a) whether Government have decontrolled the prices of coal mined by Coal India Limited and its subsidiary companies;

(b) if so, the steps being taken by Government to safeguard the interest of the company; and

(c) the details of the benefits accruing to the State Governments as a result of this decision?

THE MINISTER OF STATE IN THE MINISTRY OF COAL (DR. DASARI NARAYAN RAO): (a) and (b) The prices of coal have been fully deregulated with effect from 1.1.2000. The Colliery Control Order, 2000 empowers coal companies to fix the coal prices taking into account the market forces, average cost of production and other relevant factors. Further, it has been decided that the Tariff Commission will be involved in pricing of coal for the power sector and to suggest modalities for pricing of coal for other sectors.

(c) Wherever the state taxes leviable on coal are assessed on ad-valorem basis, the buoyancy of revenue from such taxes would be dependant upon the nature of changes in the prices of coal.